

**Whitlock Mills  
160 Lafayette Avenue  
Jersey City, New Jersey**

**Updated April 2, 2015, 3:30 p.m.**

### QUESTIONS AND ANSWERS

In connection with the Agency's issuance of its Request for Offers to Purchase for the Sale of Real Property – Whitlock Mills on December 12, 2014, the Agency received questions from members of the public. In accordance with the procedures set forth in Section 6.0 of the RFOTP, the questions and the Agency's answers are provided as follows:

#### **NOTICE – January 26, 2015:**

The second of two offered mandatory walkthroughs, which was scheduled for January 27, 2015 at 10:00 a.m., has been rescheduled due to the expected storm.

**The new date for the second offered mandatory walkthrough will be Tuesday, February 3, 2015 at 10:00 a.m.**

Interested parties who notified the Agency of their anticipated attendance on 1/27/15, should confirm their attendance on this new date or let the Agency know that their group will not be attending. Please also let the Agency know how many will be in your group on 2/3/15, so we can arrange for sufficient space and seating. Interested parties should keep in mind that the content of the meeting and the areas of the property we will be touring will be no different than the site visit on January 21, 2015.

- Q: Can real estate brokers and professionals attend the mandatory walkthroughs, as required in the RFOTP?
- A: Yes. However, brokers who attend one or both of the site visits are reminded that their attendance will not satisfy the RFOTP requirement that their clients who intend to submit an offer attend one of the mandatory tours. The Agency will only consider offers made by offerors whose principals, officers or authorized employees have attended.

#### **NOTICE –April 2, 2015:**

Each of the deadlines contained in the RFOTP has been extended in a Second Addendum to Request for Offers to Purchase for the Sale of Real Property – Whitlock Mills, issued by the Agency on April 2, 2015 ("RFOTP Second Addendum"). The RFOTP Second Addendum can be downloaded from the Agency's website at the same location this Q&A is available.

#### **Information Requests:**

- Q: May we have the Construction Completion Estimate as of Feb 2011 of \$20,199,450 which is in the Appraisal page 43? May we have a detailed breakdown from Appraiser page no 43 Construction Cost \$15,471,708?
- A: This information is or will be available on the Agency website at the same location this Q&A is available. Offerors should note that these figures are materially outdated and should not be considered currently reliable.

Q: How was Whitlock Mills financed originally? What was the total development cost and sources of funds?

A: **ORIGINAL FINANCING at 42m Determination (March 2004)**

|  |                    |
|--|--------------------|
| NJHMFA 1 <sup>st</sup>                       | \$33,708,932       |
| NJHMFA 2nd                                   | \$1,510,011        |
| Balanced Housing                             | \$4,000,000        |
| Jersey City HOME                             | \$1,300,000        |
| Developer Fee Pledge/LOC                     | \$7,943,393        |
| <u>Equity generated 4% LIHTC \$1,177,077</u> | <u>\$9,701,174</u> |
| Total Development Costs                      | \$58,163,510       |

**AT TCX AWARD (November 2010)**

|  |                    |
|--|--------------------|
| NJHMFA Subordinate Loan                      | \$5,700,000        |
| NJHMFA 1st                                   | \$37,884,612       |
| NJHMFA 2nd                                   | \$2,050,000        |
| Balanced Housing                             | \$4,000,000        |
| Jersey City HOME                             | \$1,300,000        |
| Jersey City Aff Housing Trust Funds          | \$1,000,000        |
| Section 1602 TCX Exchange                    | \$11,691,707       |
| Owner Loans/Deferred Interest                | \$12,959,461       |
| <u>Equity generated 4% LIHTC \$1,854,870</u> | <u>\$7,372,520</u> |
| Total Development Costs                      | \$83,958,300       |

Q: What work did the Agency have done at the property, what were the sources of funding for this work, what was the cost and over what period of time did this work take place?

A: Offerors should review the Claremont Construction contract that is or will be available on the Agency website and any change orders and other documentation in the on-site construction office. By way of general information, roofs were replaced, structural work was completed on modular buildings, foundations were waterproofed and parking lots were paved.

Q: What affordable restrictions are presently in place at the property?

A: Per the TCX Grant Agreement, there would be construction of 330 units, of which 198 (60%) would be rented to tenants whose incomes do not exceed 60% AMI. TCX documents are available on the Agency website. Other affordability controls, including those imposed by the City of Jersey City, may be found the public record and as set forth in a report of title.

Q: If tax credits are encouraged and seen by the Agency as a critical source of funding, why would the Agency reserve the right to reject offers that seek to make the receipt of tax credits a condition of closing?

A: Offerors are encouraged to seek tax credits. The Agency nevertheless reserves the rights and conditions set forth in the RFOTP.

Q: What is triggering the requirement for prevailing wages? What aspect of this project triggers the requirement of New Jersey Prevailing Wages? Do New Jersey Prevailing Wages apply if the Property is converted to market?

- A: Offerors are advised to consult with counsel with respect to the applicability or interpretation of statutes or other regulations concerning the prevailing wage. By way of example, see N.J.S.A. 55:14K-42.
- Q: Have the properties at Whitlock Mills and the site been fully remediated? Or, are there still areas of environmental concern (AOC)? And if so, what are they and what are the estimated costs for remediation?
- A: DEP information and Brinkerhoff Environmental Services, Inc. reports concerning soil capping, well monitoring and/or other remediation activities are available on the Agency website.
- Q: We understood from the Mandatory Walkthrough that the Agency took title subject to existing liens, restrictions, or other encumbrances. Will all of these be considered Permitted Encumbrances?
- A: Certain liens, restrictions or other encumbrances may be characterized as Permitted Encumbrances, depending upon the proposed structure of the offer.
- Q: Are there any existing or pending agreements with the owner of the building that is surrounded by the Property?
- A: Yes. There is a recorded easement providing for access and parking, as reflected in the report of title and an Access Agreement for work the owner intends to undertake in redeveloping its property.
- Q: Could you please advise of the status of BSDW TWA approvals?
- A: Approved and connected.
- Q: Are you aware of any expiration of or deficiencies in existing municipal or state approvals?
- A: The Agency is not aware of any such expirations or deficiencies. Offerors are advised to consult with the relevant authorities and further advised to consult with counsel with respect to the applicability or interpretation of statutes or other regulations, including the Permit Extension Act.
- Q: Are there any prior or existing municipal or state violations or stop work orders?
- A: A stop work order was issued in September 2008 but was lifted and work continued.
- Q: Section 5 of the Mandatory Contract Terms (“Plans and Specifications”) in Attachment #5 indicates that changes in plans may impact the TCX Grant or Bonds. Could you please clarify which Bond regulations or conditions still govern this RFOTP?
- A: TCX documents are available on the Agency website. Offerors are advised to consult with counsel with respect to the applicability or interpretation of regulations or conditions.
- Q: Section 14(f) of the Mandatory Contract Terms (“Occupancy Restrictions”) and Section 23(e) (“Compliance Requirements – HUD”) in Attachment #5 refer to compliance with the HUD Risk-Sharing Program. Could you please clarify how the HUD Risk-Sharing Program is applicable to this project?

- A: The HUD Risk-Sharing Program is not applicable to this project.
- Q: The RFOTP indicates that the Property as originally proposed was deemed eligible for 4% LIHTCs and may continue to remain eligible for 4% LIHTCs provided that the requirements of the QAP are met. The current QAP has a requirement at 5:80-33.12(c)(8) for successful participation in the NJ Clean Energy Program's NJ ENERGYEfficient Homes program or equivalent at 5:80-33.12(c)(8). Could you please advise if successful participation in the NJ Clean Energy Program's NJ ENERGYEfficient Homes program or equivalent will be applicable to the Property in order to remain eligible for LIHTCs?
- A: The RFOTP reflects the applicable terms of eligibility, which are believed to be accurate and consistent with the current QAP.
- Q: If applicable, would the Agency consider a waiver from this requirement?
- A: The Agency will consider a waiver, to the extent practicable and subject to applicable statutory and regulatory requirements and further subject to the terms of any agreement reached with the successful Offeror.
- Q: Would it be a violation of the terms of the RFOTP to arrange for a meeting with the Jersey City Building Department ("JCBD") to understand open permit and/or code issues?
- A: No. Offerors can and should perform due diligence.
- Q: Is the Agency aware of the following dates:
- a. The date when full construction permits were issued by JCBD;
  - b. The version of building code under which the building permits were approved by JCBD;
  - c. If and when the permits were updated since the original plan review by JCBD?
- A: Offerors are advised to consult with the relevant authorities and further advised to consult with counsel with respect to the applicability or interpretation of building codes or other regulations.
- Q: Has the JCBD indicated if they are going to honor the version of the building code in effect at the time of the original issuance of building permits or if they will hold a future owner to the current version of the International Building Code and Residential Rehab Code?
- A: Offerors are advised to consult with the relevant authorities and further advised to consult with counsel with respect to the applicability or interpretation of building codes or other regulations.
- Q: Would the state be open to senior housing for the site vs. rentals and low income housing? Would the tax credits still apply if we used it for assisted and non assisted living vs. just rental units? Would the tax credits still apply if we convert the complex back to market rate rents and forgo the low income housing? Would the tax credits still apply if we separate the affordable housing from the low income housing? Would the tax credits still apply if we or do full senior housing, assisted and non assisted living?

Does the purchaser have the freedom to develop the site as they wish with market rents and or senior housing?

- A: Offerors may submit alternate offers. See RFOTP, Section 1.5. The RFTOP also reflects requirements for affordable housing. Offerors are advised to consult with counsel with respect to the availability of tax credits and the applicability of affordability or senior housing requirements.
- Q: Specifically who was handling the Environmental project?
- A: Selected documents are available on the Agency website.
- Q: What are the projections for the property?
- A: Selected documents are available on the Agency website.
- Q: Are there pilings under the Modulares?
- A: No. Engineer and JCBD approved changes from pile to spread footings.
- Q: What is the number of parking stalls in Garage?
- A: Approximately 272 depending on striping pattern.
- Q: Can you confirm that the average unit square footages and unit mix in the "Subject Unit Mix" table on page 5 of the March 14, 2013 Rosin and Associates appraisal are correct? E.g. 690 SF for a three-bedroom 60% AMI unit doesn't seem correct.
- A: Unit Matrices are available on the Agency website and are intended as guidance only. The Agency cannot confirm or guarantee their accuracy. Offerors are advised to make their own determinations.
- Q: Can you confirm that no Certificates of Occupancy have been issued for any units/buildings?
- A: No Certificates of Occupancy have been issued.
- Q: Please verify that NJHMFA has control and ownership of all documents, and any copyrights attributable to the original authors have been released in full?
- A: The Agency and/or its contractors possess ownership and control of all appropriate documents. No representation is made with respect to other copyright or related issues.
- Q: Are there historic tax credits involved in the project? Is there an approved historic Part 2 scope in place, and can it be available for review?
- A: It is not believed that Historic Tax Credits apply.
- Q: Has SHPO or the NPS approved the work in place? What approvals, if any, by these agencies are still outstanding?
- A: No. To the Agency's knowledge, the Project is not currently designated by SHPO or NPS.

- Q. Who was the independent historic consultant that prepared the Historic Assessment & strategy?
- A: Unknown and/or Not Applicable.
- Q. In the event a Proposer desires to alter the configuration, use, or interior treatment of any rehab buildings, what restrictions, if any, would still be binding from the originally approved drawings?
- A: The answer would require legal, planning, engineering or architectural analysis. Offerors are advised to consult with the appropriate professionals. See also, RFOTP, Section 1.5.
- Q. Are the historic covenants applicable only to the rehab buildings, or are there elements that apply to the new construction?
- A: Unknown and/or Not Applicable.
- Q. The ceilings were removed in the modular units visited on the tour – have all ceilings in modular units been similarly removed throughout the site?
- A: Yes, the remedial work was already performed where required.
- Q. Are there any evidences in the at-grade units of moisture intrusion from the raised planter beds that we're back filled against the buildings? What is the method of waterproofing this condition that was employed?
- A: Unknown. Waterproofing work has been performed on foundations.
- Q. Can interior drywall be removed in these areas to allow for inspection?
- A: The Agency may consider this during the due diligence period following contract formation, depending upon the nature and extent of removal proposed.
- Q. Were any of the installed systems tested and approved for operation? If so, which one(s)?
- A: Yes. Certain groundwater, sanitary, storm systems were installed by Claremont Construction. Electric and natural gas service was provided to the A and F buildings and to the I buildings, except I-19, I-20 and I-21.
- Q. Boilers and basic systems have been operating to maintain basic heating...what are the warranties on this equipment? At what point did the warranties start and when do they expire?
- A: Unknown. It is likely that any warranties which may have been in place have expired.

### **Document Requests**

1. Will a title report be made available to Potential Purchasers?

A: A file copy of a Report of Title is or will be available on the Agency website.
2. Are the TCX Guidelines available with the Development Plan?

- A: TCX documents are available on the Agency website. Offerors are advised to consult with counsel with respect to the applicability or interpretation of regulations or conditions.
3. Environmental Reporting (to the extent that these are applicable)
- a. Phase I
  - b. Phase II
  - c. Remedial Action Investigation & Work Plan
  - d. Remedial Action Outcome
- A: This information is available on the Agency website, to the extent applicable.
4. Preliminary and final site plan resolution(s)
- A: This information is available on the Agency website, to the extent applicable.
5. PILOT resolution or ordinance; PILOT agreement
- A: This information is available on the Agency website, to the extent applicable.
6. A copy of the Redevelopment plan as mentioned in the RFOTP
- A: This information is available on the City of Jersey City website. See:  
<http://www.jerseycitynj.gov/data.aspx?id=14834>
7. Any reports concerning the property. Copies of the engineering and architectural reports, and an estimate of the cost to complete the project
- A: Selected information is available on the Agency website.